News Release

May 19, 2025

To whom it may concern:

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Notice of Conclusion Via Settlement of Lawsuit Involving Auxiliary Intervention by a Consolidated Subsidiary

SCSK Corporation announces that a settlement was been reached in a civil lawsuit filed in the Tokyo District Court involving auxiliary intervention by consolidated subsidiary Net One Systems Co., Ltd., on May 7, 2025, resulting in the conclusion of said lawsuit.

1. Series of Events

As described in a notice regarding the results of an investigation by a special investigation committee and the future measures to be taken issued by Net One Systems on March 12, 2020, it had been found that a former employee of Net One Systems had engaged in multiple fraudulent transactions in which no actual products were delivered throughout the fiscal year ended March 31, 2020.

In relation to these transactions, plaintiff Mizuho-Toshiba Leasing Company, Limited filed a lawsuit on March 31, 2020, requesting payment of ¥10,926,682,580 in fees for cancelation of contracts from defendant NS Solutions Corporation. While the verdict of this lawsuit remained pending, Net One Systems received a notice of suit in relation to the aforementioned lawsuit from NS Solutions on October 28, 2020. This notice stated that, in the event that NS Solutions were to lose the aforementioned lawsuit, this company would exercise its right to demand damages from Net One Systems based on employer’s liability in light of how it had been made to be complicit in the fraudulent transactions by a former Net One Systems employee.

Net One Systems thus came to participate in the aforementioned lawsuit as an auxiliary intervenor. Upon being presented with the proposal of a settlement from the court, Net One Systems decided to accept this settlement proposal to bring about a quite resolution to the dispute out of comprehensive consideration of the appropriateness of the settlement as well as the potential economic and human costs associated with the prolongation of conflicts pertaining to the lawsuit and the fraudulent transactions.

2. Involved Parties

i. Plaintiff: Mizuho-Toshiba Leasing Company, Limited
ii. Defendant: NS Solutions Corporation
iii. Auxiliary intervenor: Net One Systems Co., Ltd.
iv. Interested party: Toshiba IT-Services Corporation

3. Overview Settlement

Net One Systems will pay a settlement to Mizuho-Toshiba Leasing in the amount of ¥4.0 billion.

4. Impacts of Settlement

Liabilities have been recorded to account for the losses that could be rationally expected to be incurred based on litigations and other factors. Accordingly, the settlement is not anticipated to have any impact on consolidated financial results forecasts.

5. Overview Settlement

Net One Systems deeply regrets any trouble caused to its stakeholders in relation to the fraudulent transactions. The company has formulated measures to prevent reoccurrence of such incidents based on the recommendations of the special investigation committee, and these measures are currenting being enacted and will be refined as necessary going forward. SCSK will work closely with Net One Systems to provide effective support for these initiatives and to ensure that the operations of the Group are carried out appropriately.

Everyone at Net One Systems and SCSK remains firmly committed to regaining the trust of our stakeholders and to improving corporate value. We hope we can look forward to your ongoing support.

End